Testimony of Dr. Paula J. Dobriansky Under Secretary of State for Democracy and Global Affairs House International Relations Committee "Democracy in Latin America: Successes, Challenges and the Future" Wednesday, June 21, 2006

Mr. Chairman, members of the Committee, I thank you for this opportunity to discuss democratic development in Latin America. I appreciate and value your and the Committee's interest in this important issue.

Any assessment of the state of democracy in Latin America has to begin by recognizing the significant progress made by our neighbors in recent years. A region once marked by military governments and armed insurgencies has been transformed to one where democracy has become the rule, not the exception.

When the 34 democratic members of the Organization of American States gathered in Santo Domingo on June 4 for their annual General Assembly, there was only one empty seat at the table, a seat that will one day be filled by a representative of the free people of a democratic Cuba.

The democratic consensus that unites our hemisphere is enshrined in a unique and groundbreaking document: The Inter-American Democratic Charter, which declares that "the peoples of the Americas have a right to democracy and their governments have an obligation to promote and defend it." The Charter is much more than a grand statement, it provides a recipe for what are the essential elements of a democratic system, and emphasizes as well that "democracy is essential for the social, political, and economic development of the peoples of the Americas."

United States policy has adapted to this revolutionary new consensus in our hemisphere by continuing to work with responsible leaders from across the political spectrum in a respectful and mutually beneficial way to make democracy a force for inclusion and empowerment.

As Secretary Rice recently said in remarks before the Council of the Americas, "We charge no ideological price for our partnership. We will work with all governments from the left, from the right, as long as they are committed in principle and practice to the core conditions of democracy, to govern justly, to advance economic freedom and to invest in their people."

Indeed, to help sustain the region's democratic transformation, U.S. policy offers a positive vision based on the benefits of representative democracy, free markets, economic integration, and faith in the transformative power of freedom in individual lives.

This is part of our broader global effort, as well. The U.S. has been a key supporter of the Community of Democracies, which has become an important venue for democracies, including smaller and developing nations, to share their experiences and develop best practices that can help build capacity. In April 2005, I accompanied Secretary Rice to Santiago, which played host to the CD Ministerial, where Chilean leadership was critical to getting agreement on key issues, such as promoting a democracy practitioners database for the OAS. Prior to that, we

organized what we called a "Democracy Dialogue," where some of our hemispheric partners, such as Chile, Dominican Republic, El Salvador, Jamaica, Nicaragua, and Peru, along with seven African countries, produced a series of recommendations and best practices related to regional action to protect and promote democracy.

Building on both the 2003 Dialogue and the Santiago CD Ministerial, we are working with the OAS and the African Union (AU), to establish a bridge between the democratic countries in the AU and the OAS to collaborate on institution building, to share best practices and to counter threats to democracy, among other goals.

Still, while the region has come far, we all understand the journey continues. The fact is that the hard work of democracy is never done. As the Secretary has said, democratization is a process — not an event.

And so we do continue to confront many challenges in consolidating and strengthening democracy in the region. Not surprisingly, the success of democracy in the Hemisphere has paradoxically helped define the biggest challenge it now faces in many countries. It has produced what President Bush has called a "revolution in expectations."

The unprecedented political mobilizations we have witnessed in the region have not always been accompanied by commensurate development of the liberal institutions that are at the core of successful democratic governance. Democratization has generated pressures for positive change, and it is being channeled into institutions that aren't always capable of delivering that change. Where the gap is largest, populations are most susceptible to the siren songs of populists and the backward momentum they represent.

In short, this task of strengthening institutions has become a key priority of governments throughout the region — so that democracy results in more social justice, more effective governance, more inclusion, greater development, and greater stability. It is an enormous task, but I can think of no more legitimate or worthy one in the region. Supporting our neighbors in this quest is among the highest priorities of our policy in the Western Hemisphere.

Four Pillars

To be an effective partner, our policy seeks to highlight the link between democracy and development, and to do that we have based it on four key pillars: strengthening democratic institutions, promoting prosperity, investing in people, and bolstering security.

United States assistance programs to shore up democratic institutions in the Hemisphere range from legal code reform and judicial training to anti-corruption projects, conflict resolution, and support for free and fair elections. They are helping governments promote reforms that will enable elected officials to be more responsive to their constituents and give people a greater sense of direct participation in the political system.

A key aspect in this area is helping to reach out to marginalized peoples to promote more inclusive democracy. In Bolivia, for example, U.S.-supported programs have trained over 300,000 indigenous, especially women and youth, on civic education and leadership and produced democracy-oriented radio programs in widely understood indigenous languages. In

Ecuador, we have provided political leadership training to Afro-Ecuadorians to increase their participation in elections. Additionally, we have funded visits to the United States by several Afro-Brazilians to study the African-American experience and the importance of political participation in the democratic process.

In Nicaragua, we have trained 686 trainers who in turn trained 17,140 electoral officials preparing for the November national elections; in Peru, our programs have strengthened 340 local governments and six regional governments, and trained nearly 650 nongovernmental organizations, including women's and indigenous organizations, on participation in local decision-making.

In Paraguay and the Dominican Republic, we've worked with our partners to improve the legal environment for anti-corruption reform and the administration of justice. We have procured and shipped thousands of democracy, human rights, and free enterprise books and pamphlets to support Cuba's growing independent library network.

In Haiti, perhaps our biggest challenge, we helped to bring about successful presidential and parliamentary elections by strengthening political parties; reinforcing the Electoral Council; supporting electoral observers; training journalists; and supporting civic education campaigns.

Promoting economic prosperity is fundamental to our agenda because the inequality of income and wealth and social exclusion that characterize much of the region make it difficult for democracy to thrive. Sustainable economic growth and political stability are only possible if governments consciously provide access to the political system, economic opportunity, and social justice to all citizens, especially the poor and marginalized who possess tremendous talents and capabilities that are largely underutilized.

President Bush has nearly doubled our annual foreign assistance to the region since 2001. Through the Millennium Challenge Account initiative, we are directing that new assistance to countries that have proven their commitment to democracy and ruling justly, but that need help in attacking poverty and sustaining economic growth. MCC assistance is a tangible demonstration of how we view the linkage between development and democracy. Last year, we signed a compact — a five-year commitment — with Honduras for \$215 million and one with Nicaragua for \$175 million, both of which will help improve rural road networks to help farmers transport their goods to market, as well as answer other rural development needs. We are now negotiating a compact with El Salvador and we are devoting \$35 million to help Paraguay fight corruption, improve its business climate, and move closer to qualifying for a compact of its own.

President Bush also believes that one of the surest ways to make opportunity real for all our citizens is by opening our doors to free and fair trade. Openness to other people and other ways of doing business has always been a path to development, while isolation means stagnation. Free Trade Agreements have also been critical tools to help leaders to improve and reform their economies.

Thus, we will press forward with a robust trade agenda to prime the pump of prosperity. We have already signed, and the Congress approved, free trade agreements with Chile, Mexico, Canada, Central America, and the Dominican Republic. Most recently we signed new free trade agreements with Colombia and Peru, and we are still negotiating yet another with Panama. Our

vision remains a free trade area of the Americas; the union of 800 million men and women from Northern Canada to Southern Chile, in the world's largest free trade community.

In addition, we have developed a "basket" of poverty reduction, trade capacity building, competitiveness, and private-public partner activities to complement free trade. Our new CAFTA-DR partners are benefiting from our trade capacity building assistance in labor and the environment. We will work with our neighbors to help enhance their energy security and to develop new sources of energy. We will continue to lead hemispheric efforts to catalyze private sector investment, reduce the cost of doing business, and expand access to micro-credit.

We have also worked tirelessly to win debt relief agreements for the most disadvantaged countries in our hemisphere, and we are working with our partners to improve the effectiveness of the Inter-American Development Bank. President Bush is keenly interested in strengthening the bank's role in private sector development — especially of small businesses, which are the backbone of a healthy and growing economy.

Democracy must also provide security, so citizens can exercise their basic rights. In recent years, the United States and our regional partners have fundamentally transformed the security agenda of the Americas and forged a consensus on the vital link between security and prosperity. Today's challenge is confronting nontraditional, multidimensional threats such as organized crime, terrorism, gangs, natural disasters, and pandemics. By protecting the people of the Americas from those who operate outside the law, we strengthen democracy, promote social justice, and make prosperity more likely.

Lastly, sustaining democratic development is not just about working to get the economics and politics of prosperity right. Democracies must respect human dignity, which will flourish when citizens have the power to make decisions concerning their own lives, and when they know that they have the opportunity to improve their way of life. For citizens to realize their full potential in freedom requires deepening investments in health care and education. Through our programs to fight HIV/AIDS, tuberculosis, and malaria, we are saving lives throughout the Hemisphere, particularly among the poorest. We are helping governments develop preparedness plans for natural disasters such as Avian Flu and hurricanes. Our Centers for Excellence in Education (CETTs) have already trained some 12,500 teachers and improved the literacy skills of over 450,000 students.

Mr. Chairman, by targeting our efforts on these four pillars we seek to help countries live up to their democratic commitments and demonstrate to their citizens that government institutions can operate transparently and impartially, address the profound social issues that the Americas face today, and give people a voice in their national destiny. And through economic openness and opportunity, we can give people the belief and the hope that they can actually be agents of their own destiny and have some degree of control over their lives and the lives of their children.

Strategic Partnerships

The President's vision for this Hemisphere is rooted in partnership. We will advance our common agenda, as equals, with leaders who practice democracy, social justice, and social

inclusion. As Secretary Rice has said, "The United States has no desire to do things for our democratic partners; we want to do things *with* our democratic partners."

Indeed, an important aspect of our democracy promotion strategy calls for building strategic partnerships not only within the region — engaging regional partners like Canada, Colombia, Mexico and Chile — but also with cooperative nations and organizations from outside the Hemisphere, like the European Union, to ensure the greatest possible impact.

We will also do this through our hemisphere's premiere multilateral institutions: the Organization of American States — which is a principal vehicle in strengthening democracy through its members' common allegiance to the Inter-American Democratic Charter — and, the Inter-American Development Bank. We are actively engaged with other parts of the inter-American system that work with governments, political parties, labor and business associations, and civil society organizations in order to develop the capacity to evolve, to change, and to become responsive to the demands that are being placed on them.

The bottom line, Mr. Chairman, is that we recognize that we are at a key juncture in our relations with our hemispheric partners where no one can afford to sit on the sidelines, because ultimately if this great democratic transition and transformation we are witnessing in the Americas is successful, if we are able to show that democracy works, that it can provide solutions to issues of inequality, social exclusion, and poverty, then we have a chance to do so in the rest of the world.

If we are not successful here — with our shared values and strong consensus about what actions democracies must take to create lasting development for their people — it is going to be that much harder to achieve democratization elsewhere in the world where this common base of understanding and values does not exist.

By making the blessings of freedom real in our hemisphere, we hope to set a shining example for the entire world.

Thank you, Mr. Chairman, and I will be happy to answer any questions you and the Committee may have.